

# FEDERAL RESERVE BANK OF ST. LOUIS



## MONTHLY REVIEW OF BUSINESS CONDITIONS IN FEDERAL RESERVE DISTRICT No. 8

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THE trend of general business in this district during the past thirty days was in the direction of further improvement. Save in a relatively small number of lines, however, the betterment has been slow, and in many quarters less than expected from the promise held forth by developments of the similar period immediately preceding. While fundamentally the situation gained further strength, and there has been no appreciable diminution in the recent optimism, ordering of merchandise is proceeding cautiously and along conservative lines. The improved position in the agricultural sections, while being reflected in extensive liquidation of indebtedness and much more hopeful sentiment, has resulted thus far in only moderate increase in actual purchasing. Farmers are supplying their urgent needs, replacing equipment and spending some money in addition for things not strictly in the necessity category, but with the lesson of the past three years still fresh, there is a disposition in the rural communities to conserve cash resources.

As a whole, industrial activities showed no marked change during the period under review, though the tendency was upward, and in some classifications fair gains were recorded. Production in the boot and shoe industry showed a substantial increase, and there were fair gains elsewhere, notably in flour milling, iron and steel, packing, automobiles, lumber and cement. The policy of manufacturers in making up only such goods as they have orders for continues to a large extent, and inventories of raw materials and finished products are in the main smaller than usual at this time of year. With the exception of certain agricultural products, which fluctuated rather broadly, price changes in raw materials were limited, indicating further progress toward stabilization.

Reports from leading interests in the wholesale and jobbing trade, in a majority of instances, indicate improvement in both character and actual volume of their business. Orders booked are of larger size and better balanced than has been the case for many months. There are relatively few complaints of cancellations and returned goods, and retailers are apparently more disposed to fill their needs. While buying centers chiefly in goods for immediate shipment, there has been an appreciable gain in orders for future delivery, notably in furniture, hardware, clothing, groceries, and dry goods. In the latter line, however, purchasing for deferred requirements in the immediate past has been checked by the decline in raw cotton, which has created uncertainty relative to the future movement of the market for cotton fabrics. The attendance of buyers in the chief distributing centers was the heaviest in recent years, large numbers of country merchants having been attracted by special market weeks, fashion shows, trade excursions, etc.

The continued heavy distribution of commodities is reflected in reports of railroads operating in this district, and traffic of carriers for the country as a whole. During the last week of August car loadings of all roads exceeded the 1,000,000 mark for the first time this year. Other favorable factors in the general business situation in the district were the sustained activity in the building industry, more seasonable weather, increased buying power of the public, slight improvement in employment conditions and the strength of the banking and financial position. Fair gains in employment were shown in the coal, lead and zinc mining sections, and additions to their forces were made by the iron and steel, furniture, lumber and milling industries. There is an excellent call for farm help, especially of the experienced kind, and road building, city paving, river work, and the railroads and public utilities are drawing heavily on common labor. The demand for clerical and office help was somewhat better, though a surplus still exists in several of the larger cities.

Favorable weather, good roads and satisfactory market prices contributed to a heavy movement of farm products during the period under review. Receipts of wheat, oats and rye were well in excess of the corresponding period last year, but due to the lateness of the crop, movement of corn fell behind a year ago, and live stock shipments were also smaller. Cereal prices, while still considerably higher than during the same time in 1923, declined below the closing figures of the preceding thirty days. Between August 15 and September 15, the September wheat option at St. Louis ranged from \$1.18 $\frac{3}{8}$  to \$1.32, and No. 2 red winter wheat from \$1.30 to \$1.44. The closing price of September wheat on September 15 was \$1.28, which compares with \$1.01 $\frac{3}{8}$  on the corresponding date in 1923, while cash wheat was 25c to 34c higher than last year's quotation. September corn ranged from \$1.09 to \$1.21, closing at \$1.16 on September 15, which compares with \$1.20 on August 15, and 87c on September 15, 1923. Hog prices sustained a good advance during the second week of September, recovering all the loss recorded in late August. Cotton prices declined steadily through the period under review, middling in the St. Louis market falling from 28c per pound on August 15 to 22c on September 15, the latter figure comparing with 27 $\frac{1}{2}$ c on September 15, 1923.

The arrival of cooler weather, coupled with further improvement in industry and diminishing stocks in consumers' hands, had a stimulating effect on the coal situation. Reports of producers and selling agencies of bituminous coal, while still reflecting depression, indicated larger sales and better prospects than in many months. Though buying in most instances continues to be for immediate requirements, consumption is gradually increasing and the seasonal broaden-

ing in general needs is apparent. Activities in the several coal fields of the district are augmenting. A number of mines that have been closed since the depression set in have reopened, and more are preparing to resume production, while mines recently on much reduced schedules are increasing their working time. The demand for steaming coal is still sluggish, but inquiries from manufacturers and public utility companies are more numerous and indicate a resumption of buying in the near future. The domestic demand in the large cities has picked up materially since September 1, and there is a fair movement of lump coal to the rural sections. Prices were advanced in many instances at the first of this month, the increase ranging from 15c to 50c per ton. Coke is moving in larger volume, both the domestic and industrial demand having developed improvement since the last week of August. Stocks on the yards of by-product coke plants, however, continue abnormally large. Production of soft coal for the country as a whole during the first 206 working days of the calendar year, or to August 30, was 294,629,000 net tons, which compares with 366,349,000 tons for the corresponding period in 1923, 239,553,000 tons in 1922 and 391,426,000 tons in 1918.

Freight traffic of the railroads operating in this district shows the usual seasonal stimulation, due to the movement of cereals and other crops. In the week ended August 30, car loadings for the country as a whole totaled 1,020,339 cars, an increase of 38,091 cars over the week before, and incidentally the highest volume of weekly loadings this year. All commodities showed increases over the preceding week except live stock, with coal and miscellaneous freight showing the largest gains. The total for the week of August 30, however, was a decrease of 71,811 cars under the corresponding week last year, but 96,533 cars in excess of the same period in 1922. The cumulative total from January 1 to August 23 while slightly below that of the corresponding period last year, is well in excess of the same periods in 1920, 1921 and 1922. The Terminal Railway Association of St. Louis, which handles interchanges for 28 connecting carriers, interchanged 210,829 loads in August, the largest number since last January, and comparing with 181,825 loads in July and 217,651 loads in August, 1923. For the first nine days of September 58,326 loads were interchanged against 59,706 loads for the corresponding period in July and 63,533 loads in September, 1923. Passenger traffic of the reporting roads decreased 6 per cent in August under the same month a year ago. Tonnage moved by the Mississippi River section of the Federal barge line between St. Louis and New Orleans during August amounted to 76,000 tons, which compares with 70,387 tons in July and 80,413 tons in August, 1923.

Collections in both the wholesale and retail sections of distribution showed marked improvement during the period under review. There were fewer complaints of spotty conditions, which have featured reports of collections during the earlier months this year. Since the completion of the winter wheat harvest, liquidation of indebtedness in areas where that cereal is the chief crop has been on a satisfactory scale. Jobbers in the large cities report settlements by their country customers since September 1 are exceeding expectations. Generally through the South bills are being promptly met, and many accounts of long standing have been paid. The return of vacationists has had a stimulating effect on retail collections in the large centers of population since the first of this month. Some backwardness is still noted in the coal

fields, and in sections where crop results were disappointing. Replies to 408 questionnaires addressed to representative interests in various lines throughout the district show the following results:

	Excellent	Good	Fair	Poor
August, 1924....	3.4%	36.6%	51.4%	8.6%
July, 1924.....	2.1	30.5	54.5	12.9
August, 1923....	3.8	36.6	52.9	6.7

Commercial failures in the Eighth Federal Reserve District during August, according to Dun's, numbered 91, involving liabilities of \$922,409 against 64 defaults in July with indebtedness of \$579,643, and 45 failures for \$694,960 in August, 1923.

The per capita circulation of the United States on September 1 was \$42.28, against \$41.36 on August 1 and \$42.85 to September 1, 1923.

## MANUFACTURING AND WHOLESALE

### Automobiles

The upward trend in automobile production for the country as a whole, which started in July, continued during August, combined output of passenger cars and trucks during the latter month being 6.1 per cent larger than in July. As contrasted with a year ago, however, the August output showed a loss of 19.1 per cent, that being the fifth consecutive month in which the year-to-year comparison was unfavorable. Manufacturers reporting direct or through the National Automobile Chamber of Commerce built 251,553 passenger cars in August, against 237,431 in July and 313,972 in August, 1923. The output of trucks was 26,781 in August, compared with 24,895 in July and 29,882 in August, 1923.

Distribution of automobiles in this district is holding up above expectations, sales of new cars by 320 reporting dealers during August showing a gain of approximately 8.3 per cent over the same month in 1923, and 12 per cent over the July total this year. As was the case during July, a considerable part of the increase was accounted for by country dealers. Heavy replacement sales are being made by farmers in Missouri, Illinois, Kentucky, and Arkansas. Since the first of this month city dealers report a picking up in business, their sales and prospects being affected by the return of vacationists. The supply of cars of all descriptions is plentiful, but stocks in dealers' hands show a further decrease under the preceding month, though the total is still higher than a year ago. Gains in sales of parts and accessories during August were relatively larger than in the case of automobiles, which fact is ascribed to intensive selling campaigns and heavy purchases for equipping used cars. The tire market continues weak, with stock in retailers' hands heavy. The used car situation is described as satisfactory, stocks being further decreased during August and closing that month with a smaller aggregate than at the same period last year.

### Boots and Shoes

August sales of the 11 reporting interests were 35.1 per cent larger than for the corresponding period in 1923, and 9.1 per cent in excess of the July total this year. Results during the first two weeks of September indicate a continuance of the upturn recorded during August. Orders from virtually all sections of the trade territory are coming in in excellent shape. The average size of orders is considerably larger than had been the case earlier this year, which fact coupled with a broadening of assortments purchased, is taken to indicate that retail merchants are covering their full requirements. While style changes are numerous, the comment is made that the demand, both for women's

and men's wear, is along saner and more conservative lines than during the past two or three years. Prices for finished goods showed no change worthy of note, though the trend is slightly firmer, in sympathy with the stronger market for raw materials. As compared with a year ago, prices of finished goods average about 5 per cent lower. Factory operation was at from 95 to 100 per cent of capacity. The total number of pairs of shoes manufactured in this district during August was 11.3 per cent larger than the output of the preceding month and for the country as a whole, August production was 19.4 per cent over the July total.

#### Clothing

As compared with a year ago August sales of the 10 reporting interests showed a gain of 17.9 per cent and were 45.6 per cent larger than the July total this year. The increase in August over July was accounted for largely by seasonal considerations. Conditions are reported improving generally, with betterment particularly marked in the rural districts. Retailers are more disposed to anticipate their future needs than heretofore. The strong tone of the wool market has had a stimulating effect on ordering of apparel based on that material, but manufacturers of men's clothing report strenuous opposition on the part of their customers to any price advances. Women's suits and cloaks are moving in satisfactory volume, with advance orders well in excess of this time a year ago.

#### Drugs and Chemicals

A further decrease in business in this classification took place, sales of the 11 reporting interests during August being 6.4 per cent less than during the same month in 1923 and 4.7 per cent below the July total this year. A considerable part of the decrease was accounted for in the fine drug and chemical section, consumers being disposed to purchase on an extremely conservative basis and only for immediate needs. Some improvement in the demand for heavy chemicals by manufacturers was noted, but this had not proceeded sufficiently far to offset losses elsewhere. There was a good movement of paper goods and sundries, and the opening of the schools had a stimulating effect on sales of classroom supplies. Prices of drugs and chemicals showed no material changes, advances and declines about balancing each other. Sales of soda fountain supplies in August were under those of a year ago.

#### Dry Goods

As contrasted with a year ago, August sales of the 12 reporting interests were less by 1.3 per cent, but showed a gain of 61.4 per cent over the July total this year. The gain in August over July is partly accounted for by seasonal considerations, but is considerably larger than the average of the past several years. Orders received since first of this month indicate a continuance of the recent improvement. Stocks in retailers' hands are at a low ebb, and there is a disposition to replenish in anticipation of late fall and winter demands. The demand for both staples and specialties has broadened, and retailers in all sections are buying more steadily than heretofore. The irregular course of the raw cotton and silk markets is causing hesitation in buying of goods based on those materials. Prices on a number of important cotton fabrics have declined from  $2\frac{1}{2}$  to 5 per cent since September 1. The recent upturn in woolen prices has had a stimulating effect on the demand for woolen and worsted goods. The demand for hosiery shows slight improvement, with stocks in all positions somewhat better than earlier in the year. Underwear is moving in good volume, but sales of men's work clothes continue be-

low normal. Leading millinery interests complain of continued depression in their line, and report decreases in their August sales, both as compared with the preceding month, and the corresponding period last year. Unfavorable weather and uncertainty relative to prices and styles are given as the main influencing factors.

#### Electrical Supplies

Sales of the 12 reporting interests in August were 23.2 per cent under the same month in 1923, and 5.1 per cent below the July total this year. The decrease under a year ago is accounted for in part by smaller sales to the automotive interests and a falling off in the demand for building installations. There was also a heavy decrease in purchasing of supplies by the coal mining companies and oil fields. Moderate gains in sales of household appliances were reported, and business in radio sets is holding up in excellent shape. Pole and line hardware was quiet. Aside from the recent advances in copper wire and cable, prices were unchanged.

#### Fire-Clay Products

August sales of the 5 reporting interests were 20.4 per cent under the corresponding period a year ago, but were 1.4 per cent larger than the July, 1923, total. The increased activities at furnaces and foundries is reflected in a better demand for relining materials, but sales to the iron and steel industry are still below normal. Cement manufacturers and the lead and zinc smelting interests continue to purchase freely, though in small quantities. Some substantial inquiries for vitrified jobs have appeared, but contracts actually closed are not impressive. Aside from a reduction of 5 per cent in brick, prices were unchanged

#### Flour

Production of the 11 leading mills of the district during August was 367,040 barrels, the highest since last November, and comparing with 272,300 barrels in July and 433,218 barrels in August, 1923. Millers report a good, steady domestic trade, with buying by the South of soft flours in better volume than for several months. Shipping directions on flour previously purchased were excellent, and many of the mills were grinding at capacity to complete orders. A fair export demand from Europe was reported, centering chiefly in low-grades and high clears, both of which were relatively scarce. Good sales of both hard and soft flours are being made to the West Indies and South and Central American countries. Price fluctuations were narrow, and were affected principally by changes in the cash wheat market. Abundant supplies of high quality milling wheat were available.

#### Furniture

Following conditions of extreme dullness extending over many months, the furniture industry developed decided improvement during the period under review. While August sales of the 28 reporting interests were 2.9 per cent under the same month in 1923, they exceeded the July total this year by 34.1 per cent. Purchasing by dealers is on a more liberal scale, with stock orders more numerous than at any time for more than two years. Improvement extends fairly well through the entire line, but is particularly notable in the demand for furniture for theaters, schools, hotels and offices. Production at all the principal manufacturing plants has been increased, with several important plants working up to 80 per cent of capacity, against 35 per cent six weeks ago. The special furniture trade week, held in Evansville during the first week of September, resulted in sales well up to expectations and an unusually large attendance of buyers.

## Groceries

Conditions in this classification developed only minor changes during the past thirty days. August sales of the 22 reporting interests were 0.2 per cent larger than for the same month in 1923, and 0.4 per cent below the July total this year. The general trend is toward improvement, especially in the farming districts. Consumption holds up well, and stocks in retailers hands are for the most part below normal. The heavy marketing of fresh fruits and vegetables has held down sales of canned goods, but ordering for future requirements is in larger volume than a year ago. The seasonal demand for sugar for preserving is up to expectations, and stocks of this staple continue light, with prices firm. The movement of candy is brisk, with dealers anticipating their future requirements. The recent upturn in prices has had no effect on sales of tea and coffee, distribution continuing on a large scale.

## Hardware

August sales of the 12 reporting interests were 0.5 per cent less than for the corresponding month in 1923, but 12.7 per cent in excess of the July total this year. Steady improvement in all departments of the line is reported, with sales of commodities for use in the country more satisfactory than at any time this year. The demand for builders' hardware holds up well, and shelf hardware is being purchased in larger volume than heretofore. Sales of cans, jars, and general preserving and packing supplies are reported on a large scale, and there has been an excellent movement of fruit presses, cider mills and wooden containers. Price changes have been fairly numerous, but of minor importance. Jobbers report ordering for goods for next spring slightly better than at the same time last year, but still backward as compared with past years.

## Iron and Steel Products

Improvement in this classification, while slower than expected in some quarters, has been steady and in the form of increased orders at mills, machine shops, foundries and by the jobbing trade. The melt of pig iron during the period under review showed a fair gain over the similar period immediately preceding, and operations at iron and steel plants were at a higher rate. The demand from the building industry is holding up well, fabricators reporting an excellent volume of small orders, with inquiries for large jobs more numerous than heretofore. Buying by the railroads continues the most active branch of the industry. The range of inquiries for equipment, bridge work, track materials and miscellaneous needs has broadened and represents a large aggregate tonnage. Plants specializing in railroad castings have orders sufficient to insure their present rate of operations through October. Further improvement in advance bookings was reported by stove manufacturers and makers of farm implements. A number of stove foundries which for the past several months have been operating only two to three days a week, are now working four to five days. Prices of both raw and finished materials made further progress in the direction of stabilization, changes recorded being relatively narrow and affecting a very limited number of commodities. For the country as a whole production of pig iron recorded a gain of approximately 6 per cent in August over the preceding month, thus bringing to a halt a steady decline

of four months. Production of steel ingots in August also made substantial gains. Pig iron prices were steady to a shade firmer, No. 2 Southern foundry iron—1.75 to 2.25 per cent silicon—selling at \$18 per ton, while Northern iron of the same analysis ranged from \$20.50 to \$21. Finished steel requirements of the automobile and parts manufacturers are increasing and the mills are receiving heavier specifications from that source. A further recession in the demand for drilling supplies from the oil fields was noted, but the oil companies have placed some substantial orders for tank plates and tin plate. Warehouse interests report a good volume of current sales, but add that their customers show unusual hesitancy in regard to future commitments. A slightly better tone was noted in the machine tool situation, though actual sales showed only minor improvement. Scrap iron and steel prices were again higher, with advances particularly conspicuous in heavy melting steel, rails for rolling and all steel specialties. July sales of stove manufacturers, 7 reporting, were 13.4 per cent less than during the same month in 1923, but 72.0 per cent larger than the July total this year; railway supplies, 5 reporting, decreased 4.8 per cent under last year, but gained 12.6 per cent over July this year; farm implements, 6 reporting, decreased 18.6 per cent under August, 1924, but increased 9.3 per cent over the July total this year; job foundries, 5 reporting, increased 43.7 per cent over August, 1923, and 22.1 per cent over July this year; manufacturers of boilers, stacks, elevators, radiators, wire rope and miscellaneous products, 14 reporting, decreased 3.2 per cent under August, 1923, but gained 11.4 per cent over the July, 1924, total.

## Lumber

A quiet condition in the lumber trade of the district has been relieved by signs of improvement in September. Fall buying and inquiry are becoming mildly evident, though it is not expected that volume purchasing in yellow pine will start until around mid-fall. The change for the better shows more strongly in hardwoods, especially in the lower grades. The flooring mills, which continue very active, are large takers of common oak; box factories reflect an improving business in their purchases, and planing mills and kindred establishments are ordering against a steady and considerable inflow of seasonal business. Purchasing by furniture manufacturers and car builders is on a more liberal scale than heretofore. Western lumbars are generally strong or steady, and upper grades in fir finish, ceiling, partition and flooring easily maintain recent advances. Southern pine prices, however, are quite irregular, with transit stock selling \$2 to \$3 off the advanced mill prices prevailing around the first of August.

## Consumption of Electricity

In the five largest cities of the district consumption of electricity by selected industrial customers of the public utility companies gained 3.5 per cent over the preceding month this year. The largest increases were in Louisville and Evansville, with the heavier loads of furniture manufacturers accounting for most of the betterment in the latter city. As contrasted with the corresponding month in 1923, the returns for all cities showed decreases, the total for all centers being 6.1 per cent. The losses were distributed generally through all classes of users, but particularly pronounced in iron and steel, air products and the packing industry.

Detail figures follow:

	No. of customers	Aug., 1924	July, 1924	Aug., 1924 comp. to July, 1924	Aug., 1923	Aug. 1924 comp. to Aug. 1923
	*K.W.H.	*K.W.H.			*K.W.H.	
Evansville.....	40	1,048	963	+ 8.8%	1,269	-17.4%
Little Rock.....	35	1,211	1,242	- 2.5	1,243	- 2.6
Louisville.....	67	4,057	3,598	+12.8	4,239	- 4.3
Memphis.....	31	964	1,053	- 8.5	1,027	- 6.1
St. Louis.....	81	13,628	13,342	+ 2.1	14,478	- 5.9
Totals.....	254	20,908	20,198	+ 3.5	22,256	- 6.1

\*In thousands (000 omitted).

The following figures, compiled by the Department of Interior, give kilowatt production for both lighting and industrial purposes for the entire country:

	By water power	By fuels	Totals
July, 1924.....	1,614,850	2,983,691	4,598,541
June, 1924.....	1,705,277	2,847,326	4,552,603
July, 1923.....	1,665,697	2,870,488	4,536,185

RETAIL

More seasonable weather contributed to a further slight improvement in business in the retail department of distribution during the period under review. Better sales were reported by clothiers, with the movement of fall woollens, knit goods and underwear well up to expectations. Generally through the agricultural sections retailers are enjoying a better business than at any similar period in more than three years. They report that buying is confined chiefly to necessities, but the volume of such goods going to ultimate consumers is large. Jewelers report the usual seasonal improvement in their sales, with results since September 1 showing slightly more than the normal increase. Hardware and electrical supplies are active, and the movement of seasonal sporting goods is larger than at this time last year. Sales of stationery, school supplies and furniture were reported the largest of any month this year. August sales of the leading department stores of the district were 7.5 per cent under the corresponding month in 1923, and for the two months ending August 31 were 1.2 per cent under the same period a year ago. Results during the first half of September, however, indicate a substantial gain over a year ago.

	Net sales comparisons		Stocks on hand	Annual rate of stock turnover
	Aug. 1924 comp. to Aug. 1923	Two months ending Aug. 31, 1924, to same period, 1923	Aug. 31, 1924 comp. to Aug. 31, 1923	For 2 months ending Aug. 31, 1924
Evansville.....	- 4.7%	- 4.9%	-14.3%	1.71
Little Rock.....	- 2.0	- 2.3	+ 1.7	1.91
Louisville.....	- 7.9	- 4.4	+ 4.5	1.99
Memphis.....	-12.7	+18.1	- 3.1	1.94
Quincy.....	- 3.9	- 2.8	- 8.4	1.89
St. Louis.....	- 7.2	- 5.6	- 3.7	2.24
Springfield.....	- 7.0	-13.5	-19.1	1.29
8th District.....	- 7.5	- 1.2	+ 1.7	2.07

AGRICULTURE

Progress of crops during the period under review was rather irregular, and conditions as a whole are spotty. In some localities disastrous results of drouth and extreme hot weather were apparent, particularly in Southern areas east of the Mississippi River, where prospects for fruits, vegetables, tobacco and corn were lowered. According to the U. S. Department of Agriculture the composite condition of all crops in states wholly or partly within the Eighth Federal Reserve District (100=10-year average) was 92.2 per cent on September 1, against 97 per cent on August 1 and 100.17 per cent on September 1, 1923. However, accounts relative to crops harvested earlier in the season continue in the main favorable, both as regards quality and quantity and marketing conditions. Relative to the late crops there are numerous optimistic reports, as for instance corn in the Southern sections of Missouri and Illinois which is the best since 1917. Generally the agricultural position continued the improvement noted in the preceding issue of this report. With higher prices for cereals, live stock and many

other products than a year ago, farmers are feeling more optimistic, and setting about preparing their programs for next season's activities with more confidence than for the past several years.

Threshing of wheat has been completed, except in the case of a limited quantity of stacked grain, and latest returns indicate yields well up to expectations. There were scattered complaints of damage to wheat in the shock, but this affected quality principally, and resulted in no material change in total output. Marketing of the new crop grain was somewhat larger than usual, farmers taking advantage of the favorable prices to dispose of their stocks. Much ground has been plowed for winter wheat in states of the district, and seeding has made substantial progress, though this work was interfered with to some extent by dry weather. Total wheat production for the district is estimated at 55,246,000 bushels, against 83,426,000 bushels last year.

The corn crop is still from two to four weeks late, little of the backwardness having been caught up during the past thirty days. Stands generally are irregular, and it is very essential that warm, dry weather continue late into the fall in order to mature the crop. Late planted corn, of which the amount is unusually large because of the late sowing season, is in less prosperous condition than the early seeded grain. Generally through the South the crop made good progress during the last half of August, which was the best corn weather of the season, and in some counties prospects are the best in a number of years. There are scattered reports of insect infestation and damage from storms. Regardless of weather conditions to harvest, a large part of the crop will be soft, and farmers are planning to feed much soft corn to cattle. The total production of corn in this district is estimated at 349,060,000 bushels, against 403,090,000 bushels in 1923.

Oats made further improvement in August, and the crop in this district will be large. Quality was lowered considerably by rains while in the shock, and flood and storm loss in some localities was severe. Total output for the district is estimated at 61,374,000 bushels, which compares with 52,072,000 bushels harvested last year. In Illinois the oats condition on September 1 was 89 per cent, indicating a yield of 39.6 bushels per acre, while the average in Missouri will be 27.6 bushels per acre.

Corn — Oats

The U. S. Dept. of Agriculture, in its report as of September 1, 1924, gives condition of corn and oats in states of the Eighth Federal Reserve District as follows:

	Condition		*Production				Farm price	
	September 1 1924	10-yr. av.	Forecast 1924		Harvested		per bu. Aug. 15 1924	cents 1923
			Sept. 1	Aug. 1	1923	5-yr. av. 1918-22		
Illinois.....	69	78	Bu. 281,719	Bu. 282,590	Bu. 337,312	Bu. 317,273	104	80
Indiana.....	55	81	115,190	123,567	192,616	177,513	105	84
Kentucky.....	74	83	73,378	78,336	87,866	89,159	127	102
Missouri.....	73	72	187,495	170,327	196,860	173,702	109	88
Tennessee.....	67	83	65,820	77,609	73,941	83,241	125	108
U.S.Total.....	66.4	77.9	2,512,888	2,576,440	3,046,387	2,899,428	107.4	87.0

Oats  
 Illinois.....89 81 162,064 163,762 135,100 146,005 46 33  
 Indiana.....93 77 69,623 67,731 48,692 59,088 49 34  
 Missouri.....80 75 41,897 42,208 34,500 42,189 52 38  
 U.S.Total.....89.3 79.7 1,486,412 1,439,041 1,299,823 1,302,516 49.1 37.6  
 \*In thousands (000 omitted).

Hay harvesting continued throughout August, and generally yields are satisfactory though dry weather cut heavily into the crops in Kentucky, Tennessee and Southern Indiana. Frequent rains during the

harvest period served to lower quality. In many sections the clover crop was the best in recent years. Soybeans, cowpeas, kafir and other emergency crops, planted in sections where corn in short, promise good yields. Pastures are reported uneven, but recent rains have brought considerable improvement. The condition of live stock showed no change as contrasted with the preceding thirty days.

Except in the areas visited by drouth, the condition of late fruits and vegetables underwent improvement during the period under review. The condition of apples in Illinois on September 1 was slightly below the 10-year average, but in Missouri and Arkansas were well over the average, and in the two latter states the commercial crop will exceed that of last year. Peaches turned out well in the Southern stretches of the district, but were a short crop further north. Tomatoes in the commercial areas are generally good, and heavy shipments have been made. The earlier promise of grapes has been cut down by rot. The condition and prospective yield of sweet potatoes was about the same as a month earlier. The white potato crop is generally good, with the Illinois condition 91 per cent, the best in many years, and comparing with the 10-year average of 66 per cent. In Missouri the September 1 condition was 85 per cent, and in Indiana 83 per cent. Total production for the district is estimated at 18,377,000 bushels, against 18,223,000 bushels last year.

Tobacco prospects deteriorated further during August, the total estimated yield for this district based on September 1 condition being 322,903,000 pounds a decrease of 13,455,000 pounds under the August 1 forecast and comparing with 396,737,000 pounds harvested in 1923. The loss is ascribed to generally unfavorable weather conditions for development of the weed. Ripening has been backward, and in some sections drouth has adversely affected results. The dry weather, however, was not an unmixed evil, as it served to check the spread of field-fire, which earlier in the season threatened serious damage. The greater part of the early planting has been cut and housed, and is curing reasonably well. Cutting of the late planting, which constitutes a large portion of the crop, is progressing slowly. Numerous complaints are received of the large quantity of very small tobacco. This part of the crop was benefitted some by the recent rains, but not to the extent expected. Prices of old crop tobacco were about the same as have prevailed for some time past.

The splendid rice prospects indicated earlier in the season were adversely modified during August by extreme heat and lack of moisture. Withal the outlook continues good, the condition in Arkansas on September 1 being 84 per cent, which indicates a yield of 45½ bushels per acre and a total production of 6,985,000 bushels. Early rices are maturing rapidly and harvesting is in progress. Market conditions are exceptionally good, due largely to the small carryover and generally strong demand. While no new rice has been placed on the market from this district, quotations indicate a price of about \$1.50 per bushel on No. 1 rices, about 25c more than received last year. Ultimate production depends on the amount of abandonment, which it is reported may be large, owing to lack of water.

There was slight deterioration in the cotton crop for this district during August, the September 1 forecast being for 2,259,000 bales, against 2,268,000 bales on August 1. The indicated yield as of September 1,

however, is 958,000 bales larger than the 1,211,000 bales produced in 1923. Reports from scattered localities tell of the best prospects in several years, with stands good and cultivation thorough. There has been extensive use of poisons and fertilizers, with mainly satisfactory results. Boll weevil damage is negligible in many important sections, and complaints of injury from other insects pests are relatively few. Picking is in progress, and almost universally labor is adequate for all requirements.

### Live Stock Movement

Receipts and shipments at St. Louis, as reported by the National Stock Yards, were as follows:

	*Receipts			*Shipments		
	Aug. 1924	July 1924	Aug. 1923	Aug. 1924	July 1924	Aug. 1923
Cattle and Calves.....	132	126	162	90	78	111
Hogs.....	285	319	336	206	201	228
Horses and Mules.....	4	2	6	4	2	4
Sheep.....	63	76	60	18	14	20

### Commodity Movement

Receipts and shipments at St. Louis, as reported by the Merchants' Exchange, were as follows:

	*Receipts			*Shipments		
	Aug. 1924	July 1924	Aug. 1923	Aug. 1924	July 1924	Aug. 1923
Beef, lbs.....	103	197	1,252	24,790	24,605	27,226
Corn, bu.....	1,971	3,701	2,582	1,458	2,149	1,989
Flour, bbls.....	431	441	446	502	465	566
Hides, lbs.....	8,482	6,101	6,739	11,359	8,479	9,434
Lard, lbs.....	7,164	6,716	7,534	11,797	14,514	13,387
Lead, pigs.....	262	170	216	219	116	157
Lumber, cars.....	20	17	20	12	11	14
Oats, bu.....	3,684	1,832	3,434	2,576	1,634	2,737
Pork, lbs.....	21,676	23,933	21,826	31,702	35,299	32,922
Wheat, bu.....	9,200	3,692	5,834	4,964	1,843	4,398
Zinc, slabs.....	199	188	277	225	233	269

\*In thousands (000 omitted).

### Commodity Prices

Range of prices in the St. Louis market between August 15, 1924, and September 15, 1924, with closing quotations on the latter date, and on September 15, 1923:

	High	Low	Close	
			Sept. 15, 1924	Sept. 15, 1923
Wheat				
September .....per bu.	\$1.32	\$1.183½	\$1.28	\$1.01¼
December .....	1.37¼	1.227½	1.33¼	1.03¼
May .....	1.42½	1.29	1.395½	1.075½
No. 2 red winter..	1.44½	1.30	\$1.42 @ 1.44	\$1.06 @ 1.10½
No. 2 hard.....	1.33	1.19	1.29	1.04
Corn				
September .....	1.21	1.09	1.16	.87
December .....	1.18½	1.01¼	1.125½	.66¾
May .....	1.19½	1.025½	1.13½	.67¾
No. 2 .....	1.21	1.09	1.16	.89½
No. 2 white.....	1.21	1.09	1.18½	.89½ @ .90
Oats				
September .....	.56	.46	.48¾	.403¼
No. 2 white.....	.55½	.46½	.50½	.43½
Flour				
Soft patent.....per bbl.	7.50	6.35	6.50 @ 7.50	5.00 @ 5.50
Spring patent.....	7.40	6.60	7.00 @ 7.10	5.60 @ 6.15
Middling cotton.....per lb.	.27½	.22	.22	.27½
Hogs on hoof.....per cwt.	10.60	6.00	7.50 @ 10.60	5.60 @ 9.60

### BUILDING

The period under review was marked by continued activity in the building industry. All sections report operations on a large scale, but relatively the best showing was made in the South, where much new work of all sorts is being initiated. In both number and value represented, building permits issued in the five largest cities of the district during August exceeded the totals of the corresponding period in 1923. Industrial construction figures more prominently in the August lists, and permits were also issued for a number of municipal buildings, hotels, hospitals and schools. As has been the case since the opening of the outdoor season last spring, highway construction work throughout the district continues on extensive scale. With the exception of a scarcity of skilled artisans in some crafts in two of the larger cities, building labor was reported plentiful, with wages firm at the recent peak levels. Material prices showed only minor changes. Production of Portland cement for the



country as a whole during August, according to the U. S. Geological Survey, was 15,128,000 barrels, the highest on record, and comparing with 14,029,000 barrels in July and 12,967,000 barrels in August, 1923.

Building figures for August follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1924	1923	1924	1923	1924	1923	1924	1923
Evansville ....	176	149	\$ 295	\$ 261	79	62	\$ 25	\$ 11
Little Rock....	84	80	226	266	103	149	37	53
Louisville ....	342	306	1,154	758	109	128	140	60
Memphis .....	487	360	1,674	2,104	120	70	44	35
St. Louis.....	833	974	2,157	1,941	535	666	356	430
Aug. totals.....	1,922	1,869	\$5,506	\$5,330	946	1,075	\$602	\$589
July totals.....	1,797	1,645	5,558	4,802	1,028	946	661	691
June totals.....	1,881	1,784	4,944	5,301	963	1,139	760	582

\*In thousands of dollars (000 omitted).

## FINANCIAL

The demand for credit from general mercantile and industrial sources during the period under review showed no change worthy of comment as compared with the preceding thirty days, and is described as only moderately active. Likewise variations in rates charged by commercial banks were slight, though the general average at the middle of September was about ¼ per cent higher than the recent low point. Loanable funds with the banks continue abundant, and deposits are holding up well, the total for reporting member banks being close to the high point for the year. Reports relative to country banks indicate rather spotty conditions. In some sections there has been excellent liquidation, the country banks having heavily reduced their loans with city correspondents. Elsewhere, however, country institutions are still well loaned up. In the winter wheat areas there is a disposition on the part of bankers to induce farmers to settle their indebtedness, and payments have been in large volume.

Throughout the South the past two weeks have developed a more active inquiry for funds for financing cotton and tobacco, but due to the lateness of both these crops the demand is not as large as at the corresponding period in many previous years. Some inquiry from the rice section is beginning to appear. The most active borrowers at the moment are the grain and milling interests, which have been steadily increasing their lines since the movement of winter wheat began.

## Commercial Paper

August sales of the reporting brokerage interests were 36¼ per cent larger than during the same month a year ago, and 14 per cent in excess of the preceding month this year. Generally the demand is active, with both country banks and financial institutions in the larger centers good buyers. The total volume was materially augmented by purchases of banks in Texas, where extensive marketing of cotton has created surplus funds for investment. The low rates, however, are having a detrimental effect on buying by country banks in some localities. Supplies of commercial paper continue fairly plentiful, but as has been the case for the past several months, prime names are relatively scarce. Rates were again lower, ranging from 3¼ to 3¾ per cent, with occasional transactions on particularly prime paper at 3 per cent.

## Savings Deposits

	No. of banks reporting	*Amount of savings deposits			Sept. 1924 comp. to Aug. 1924	Sept. 1924 comp. to Sept. 1923
		Sept. 3, 1924	Aug. 6, 1924	Sept. 5, 1923		
Evansville ....	4	\$ 9,240	\$ 9,193	\$ 8,994	+ 0.5%	+ 2.7%
Little Rock....	5	7,585	7,613	7,333	0.0	+ 3.4
Louisville ....	7	26,926	27,218	23,347	- 1.1	+15.3
Memphis .....	4	17,329	17,374	18,326	- 0.3	- 5.4
St. Louis.....	12	77,496	76,778	72,158	+ 0.9	+ 7.4
Total.....	32	\$138,576	\$138,176	\$130,158	+ 0.3	+ 6.5

\*In thousands (000 omitted).

## Debits to Individual Accounts

	*For four weeks ending			Sept. 1924 comp. to Aug. 1924	Sept. 1924 comp. to Sept. 1923
	Sept. 17, 1924	Aug. 20, 1924	Sept. 19, 1923		
E. St. Louis and Natl. Stock Yards, Ill..	\$ 38,554	\$ 38,370	\$ 45,532	+ 0.5%	-15.3%
El Dorado, Ark.....	7,090	7,158	7,919	- 0.9	-10.5
Evansville, Ind.....	25,335	24,954	28,017	+ 1.5	- 9.6
Fort Smith, Ark.....	9,553	9,662	9,486	- 1.1	+ 0.7
Greenville, Miss.....	2,989	2,540	2,631	+17.7	+13.6
Helena, Ark.....	4,020	2,982	3,865	+34.8	+ 4.0
Little Rock, Ark.....	57,224	48,733	51,002	+17.4	+12.2
Louisville, Ky.....	147,675	141,898	128,721	+ 4.1	+14.7
Memphis, Tenn.....	108,154	88,040	104,335	+22.8	+ 3.7
Owensboro, Ky.....	4,923	4,972	4,459	- 1.0	+10.4
Quincy, Ill.....	9,920	7,739	9,082	+28.2	+ 9.2
St. Louis, Mo.....	553,930	591,936	553,939	- 6.4	0.0
Sedalia, Mo.....	4,392	3,493	.....	+25.7	.....
Springfield, Mo.....	10,788	9,867	12,921	+ 9.3	-16.5
Totals.....	\$984,547	\$982,344	.....	+ 0.2	+ 2.4

\*In thousands (000 omitted).

## Condition of Banks

Loans and discounts of the 34 reporting member banks on September 17 were larger by \$4,764,000 than a month ago and exceeded those of a year ago by \$8,585,000. Investments also increased, the total on September 17 being \$4,133,000 greater than a month earlier, but \$12,372,000 under the total of a year ago. The gain in investments during the past month was due largely to purchases of United States certificates of indebtedness. Total deposits of the reporting banks increased \$8,398,000 over the preceding month and \$46,721,000 over the corresponding period in 1923.

The following statement shows principal resources and liabilities of reporting member banks in Evansville, Little Rock, Louisville, Memphis, and St. Louis:

	*Sept. 17, 1924	*Aug. 13, 1924	*Sept. 19, 1923
Number of banks reporting.....	134	134	36
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations.....	\$ 9,843	\$ 9,049	\$ 12,244
Secured by other stocks and bonds.....	151,390	146,973	140,389
All other loans and discounts.....	313,262	313,709	313,277
Total loans and discounts.....	\$474,495	\$469,731	\$465,910
Investments			
U. S. Pre-War bonds.....	14,808	15,082	15,304
Liberty bonds.....	22,826	22,978	22,865
Treasury bonds.....	2,505	2,509	8,601
Victory and Treasury notes.....	10,140	9,411	20,799
Certificates of Indebtedness.....	3,934	1,205	7,065
Other securities.....	93,238	92,133	85,189
Total investments.....	\$147,451	\$143,318	\$159,823
Reserve balance with F. R. bank.....	44,319	38,667	37,869
Cash in vault.....	7,243	7,473	7,981
Net demand deposits.....	367,339	359,912	329,493
Time deposits.....	201,800	202,948	188,578
Government deposits.....	4,289	2,170	8,636
Bills payable and rediscounts with Federal reserve bank			
Secured by U. S. Govt. obligations.....	880	630	13,828
All other.....	4,760	405	33,944

\*In thousands (000 omitted).

†Decrease due to consolidation. Total resources of these 34 banks comprise approximately 54 per cent of the resources of all member banks in the district.

## Federal Reserve Operations

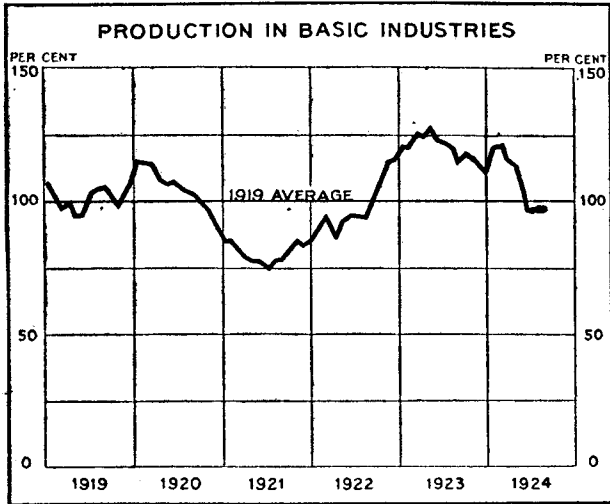
During the past month there was an increase in the amount of paper discounted by the Federal Reserve Bank of St. Louis for its member banks. On September 17, 1924, the amount of discounted bills held was \$23,142,000, whereas on August 13, 1924 the amount was \$17,475,000, and on September 19, 1923, it was \$69,027,000. Total earning assets on September 17, 1924, were \$44,034,000 as compared with \$32,368,000 the previous month, and \$72,739,000 a year ago. The difference between bills discounted and total earning assets represents purchases of acceptances and government securities in the open market. The combined reserve ratio of this bank against deposit and Federal Reserve note liabilities on September 17, 1924, was 73.7 per cent as compared with 81.2 per cent last month and 51.9 per cent a year ago. During August this bank discounted for 236 of its 629 member banks, which compares with 244 of its 629 member banks accommodated in July. The discount rate remains unchanged at 4 per cent.

(Compiled September 23, 1924)

# BUSINESS CONDITION IN THE UNITED STATES

## Production

The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variations, continued in August at the same levels as in June and July. Production of steel was substantially larger than in July and the output of pig iron and mill consumption of cotton also increased.



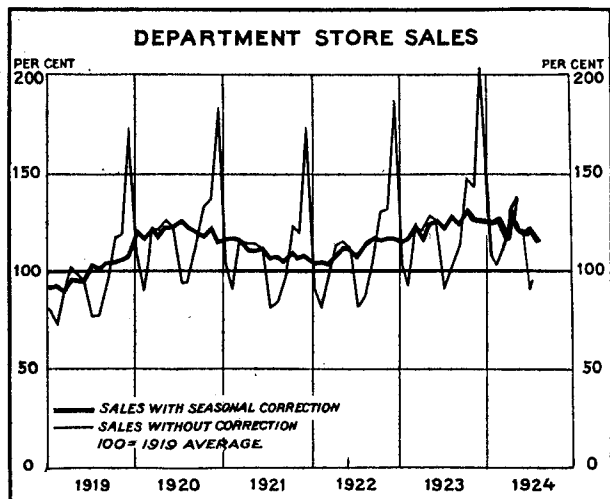
Index of 22 basic commodities corrected for seasonal variation. Latest figure, August=94.

Sugar meltings and production of anthracite and zinc, on the other hand, were smaller. Factory employment increased slightly in August and average weekly earnings increased 4 per cent owing to less part time employment. Larger working forces were reported in the textile, leather and automobile industries. Building contracts awarded, contrary to the usual seasonal trend, were 3 per cent larger in August than in July.

Crop conditions showed further improvement in August and the September 1 estimates on production by the Department of Agriculture were larger for wheat, oats, barley and potatoes. Estimated yields of corn, cotton and tobacco, however were smaller. Harvesting has proceeded rapidly this year, and the August marketing of wheat was larger than in either of the last two years.

## Trade

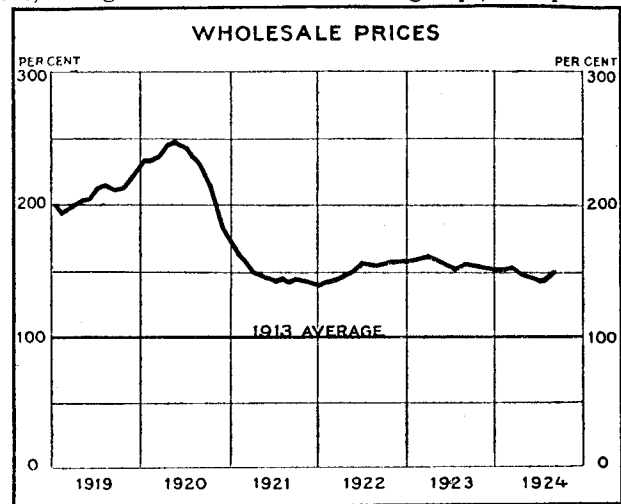
Bank debits, which reflect the volume of business transactions settled by check, showed about the usual seasonal decrease in August, but were larger than a year ago. Railroads' shipments increased slightly. Wholesale trade was 7 per cent larger than in July, but continued to be smaller than a year ago. Department store sales showed less than the usual increase in August and were 7 per cent smaller than last year. Mail orders increased more than usual at this season and were 1 per cent larger than in August, 1923. Merchandise stocks of department stores at the end of August, for the first time this year, were smaller than on the corresponding date of 1923.



Index sales of 333 stores in 117 cities. Latest figures, August.

## Prices

Wholesale prices, as measured by the index of the Bureau of Labor Statistics, increased 2 per cent in August and were at about the same level as a year ago. The advance was due largely to further increases in prices of farm products and foods, though all other commodities groups, except metals



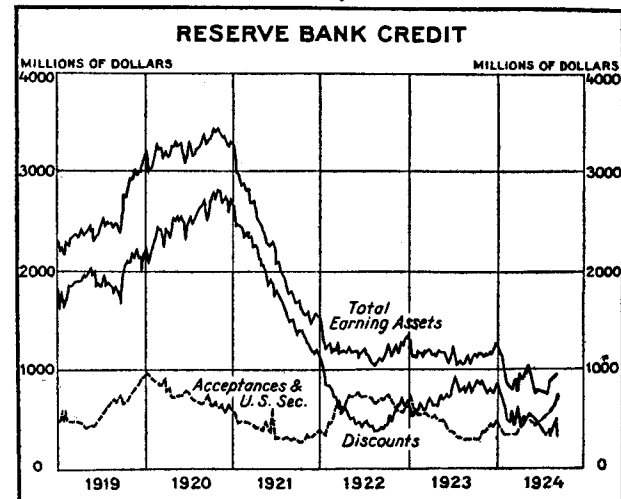
Index of U. S. Bureau of Labor Statistics. Latest figure, August=150.

and fuel, also advanced. During the first three weeks of September, prices of wheat, rye, wool and rubber increased, while those of cotton, silk, petroleum and metals declined.

## Bank Credit

Loans and investments of member banks in leading cities continued to increase during the four weeks period ended September 10, and on that date reached a record figure, about \$1,000,000,000 above the level of three months earlier. The largest increase was in loans on stocks and bonds and commercial loans also increased owing partly to seasonal demand for credit. The growth of investments by member banks continued though at a somewhat slackened rate.

At the Federal reserve banks there was a further increase in holdings of government securities and of acceptances, with the result that in the middle of September, although discounts were at the low point for the year, the total volume of reserve banks credit was higher than at any time since last spring. Seasonal increase in the demand for currency was reflected in a decline in cash reserves and, at the reserve banks in certain agricultural districts, in an increase of Federal reserve note circulation. Slightly firmer conditions in the New York money market in late August and early September were reflected in a slight advance in the rate on commercial paper. After the middle of September a recurrence of easier conditions followed Treasury operations, the September 15 offerings of one year Treasury certificates bearing  $2\frac{3}{4}$  per cent interest the same rate as the six months issue sold in June.



Weekly figures for 12 Federal reserve banks. Latest figure, September 17.